BRITISH COLUMBIA

BC STATS Infoline

Issue: 00-51 8 Pages
December 21, 2000

tel (250) 387-0327
fax (250) 387-0329

All issues since 97-01 are on our website:
http://www.bcstats.gov.bc.ca

highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **BC manufacturing shipments fell slightly in October, declining by 0.4% (seasonally adjusted).** BC, along with Prince Edward Island and Nova Scotia were the only provinces where shipments decreased. All other provinces and territories posted increases, resulting in a rise in the overall Canada figure in October of 1.7%.

  Shipments of durable goods rose in October (+1.2%). The increase was largely due to shipments of electrical and electronic equipment (+5.1%) and wood (+2.8%). However, declines were posted in five of the industries in this sector including transportation equipment (-10.4%) and fabricated metals (-4.0%).

  On the non-durable goods side, shipments fell by 2.3% in October, which followed an increase in the previous month. Declines were posted by the paper and allied industries (-4.2%) and the printing and publishing sector (-10.4%), while all other sectors recorded increases. *Source: Statistics Canada*

- **Exports of BC products were up 4.4% in October compared to the same month in 1999.** The rise was largely due to increased exports of industrial goods (+32.2%) and energy products (+31.2%), which helped to offset a strong decline in the automotive products sector (-39.2%). Agricultural and fishing (-7.1%) and forestry products (-5.5%) exports were also down compared to October 1999. However, exports from the consumer goods (+15.8%) and machinery and equipment (+9.1%) sectors increased.

  Prince Edward Island was the only province to post reduced exports compared to October 1999 (-5.1%). Of the remaining provinces, BC recorded the smallest increase, while exports from Alberta rose by the greatest amount (+49.4%), due largely to a 60.0% increased in exports from the energy products sector. *Source: Statistics Canada*

- **Wholesale sales in BC were unchanged from September (seasonally adjusted), despite an overall rise in Canadian sales (+1.2%) in October.** This was the seventh consecutive month that BC's sales have either remained flat or declined. October sales in all other provinces except New Brunswick increased, with 7 of the 11 trade groups reporting upward swings in sales at the national level. *Source: Statistics Canada*

- **BC's retail sales fell by 1.1% between September and October (seasonally adjusted), affected by lower sales by motor and recreational vehicle dealers.** A fall in sales in this sector also impacted the rest of Canada, with all provinces reporting retail sales reduced by at least 1.0%. The biggest drops were seen in New Brunswick (-2.7%) and PEI (-2.6%), contributing to a national decline of –0.9%. *Source: Statistics Canada*

Public Sector Employment

- **There were 331,869 public sector employees in BC in the third quarter of 2000.** This represents an increase of 1.3% relative to the same quarter last year. The number of general government jobs rose at both the federal (+1.8%) and provincial (+4.0%) levels compared to the same quarter in 1999. The strong increase in BC's provincial general government employment was driven by a rise in employment by agencies that are controlled or funded

Report The tourism sector GDP & employment

Did you know...
Both male and female reindeer grow antlers in the summer, but the males drop them over winter, while the females retain them until they give birth in the spring. So, according to every historical depiction of Santa's reindeer, Prancer, Dancer, Rudolph and company must all be female. Perhaps that's why they can find their way on even the foggiest of Christmas Eves!

by government, and not by employment in provincial government administration which fell by 2.2% (to 19,994) in the third quarter.

The number of people employed in BC's universities and colleges rose by 1.9% in the third quarter of 2000, as did the number employed in health and social service institutions (+1.8%) and school boards (+0.6%). Employment in crown corporations (-1.3%) and local government (-0.4%) however, was down.

Public sector employment rose in most parts of the country compared to the third quarter of 1999, increasing by 0.7% in Canada overall. The largest percentage increases in the public sector workforce were seen in Alberta (+2.9%) and Manitoba (+2.1%), while the greatest declines were seen in Newfoundland (-2.1%), Nova Scotia (-1.8%) and Quebec (-1.0%).

Source: Statistics Canada, Public Institutions Division

- **The number of public sector employees for every 1,000 people living in BC rose by 0.6% from 81.3 in the third quarter of 1999, to 81.8 in same quarter of 2000**. Currently, the number of public sector workers per capita in BC is less than anywhere else in Canada except Ontario, which had a rate of 81.0 per 1,000 population. *Source: BC STATS*

Break and Enter

- **Residential break-ins in BC fell by 24.1% between 1994 and 1999.** Police reported 33,004 residential break and enter offences in 1999, which translates to a rate of 820 break-ins for every 100,000 people. This is higher than the Canadian rate of 649 per 100,000, but lower than Saskatchewan (969), Quebec (856), Yukon (1,015) and Northwest Territories (985). There were 18,259 reported offences in Vancouver last year or 905 per 100,000 population. The only large city (population greater than 500,000) with a higher reported rate was Montreal (976 per 100,000). However, in common with all the large Canadian cities, the rate of break and enter offences in Vancouver fell between 1994 and 1999 (-29.8%). The rate also decreased in Victoria (-22.0%) over the same period, with 1,956 offences being reported in 1999. *Source: Statistics Canada*

Employment Insurance

- **The number of people receiving regular Employment Insurance benefits in BC decreased by 11.8% between October 1999 and October 2000.** The actual number of recipients fell by 5,480 to 40,770. The decline was mirrored in all the provinces and territories except Nunavut where there was a 23.1% increase in beneficiaries. The number of recipients in Canada as a whole fell by 9.6%.

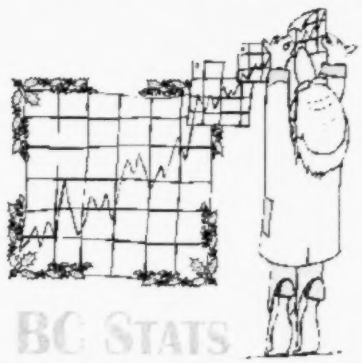
Source: Statistics Canada

Healthy Victorians

- **Victoria residents are the healthiest in the country.** Doctors in Victoria reported the fewest number of residents (18,897 or 6%) with respiratory illness, during the week ending December 15. The unhealthiest Canadians were found to be living in Winnipeg where 93,534 people, or 14% of the population were suffering with colds or flu. After Victoria, the next healthiest cities were Halifax, Vancouver, Edmonton and Quebec City. *Source: Surveillance Data Inc.*

The next issue of highlights will be released January 5, 2001

Merry Christmas and Happy New Year from all of us at



For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

December 21, 2000

Infoline Report: The tourism sector

GDP & employment

Contact: Dan Schrier / (250) 387-0360

Originally published in November 2000 issue, *Business Indicators*. Annual subscription: $60 + GST

The tourism sector is a growing force in British Columbia's economy. BC has become a world-class tourist destination as demonstrated by Vancouver's consistent ranking among the top ten cities in the world in surveys done by travel magazines. The most recent example of this is a poll in the November 2000 issue of *Condé Nast Traveler* that places Vancouver ninth among the world's best cities.

In order to measure the impact of tourism on BC's economy, BC Stats produces estimates of the tourism sector's Gross Domestic Product (GDP) as well as estimates of direct tourism employment. Estimates of GDP are calculated by assigning a tourism proportion to the GDP of relevant industries. Similarly, estimates of direct tourism employment are calculated by assigning a tourism proportion to employment in industries with a tourism component. The industry GDP data come from Statistics Canada, while the employment data is based on the Survey of Employment Payrolls and Hours (SEPH) done monthly by Statistics Canada.[1] The tourism proportions are based on the results of research conducted by BC Stats.

Defining the tourism sector

We usually think of a tourist as being a sightseer, visiting a place far from home, but a tourist is defined as anyone who travels to a place outside of his or her usual environment and stays away for less than one year. The motivation for the trip is irrelevant. A tourist can travel for either business or pleasure.[2] It is also not necessary for a person to stay overnight in order to be considered a tourist. Day trips (also known as excursions) are an important part of tourism.

Since tourism is an activity and not a specific good or service, strictly speaking there is no such thing as a "tourism industry." Tourists make purchases from a variety of industries, most of which also provide the same services to local residents (for example, restaurants). This creates a challenge when attempting to measure the specific impact that tourists have on particular industries. Fortunately, from studies of tourist behaviour, we have a reasonably good knowledge of what tourists are doing and what they are buying when they visit the province, and from this information we can determine the impact of tourism on various industries.

Using this approach, we are able to create a "synthetic" tourism industry. This allows us to produce estimates of tourism sector GDP and direct tourism employment. These measures provide a means of comparing tourism with other parts of the provincial economy, as well as tracking the tourism sector's performance over time.

Tourism GDP

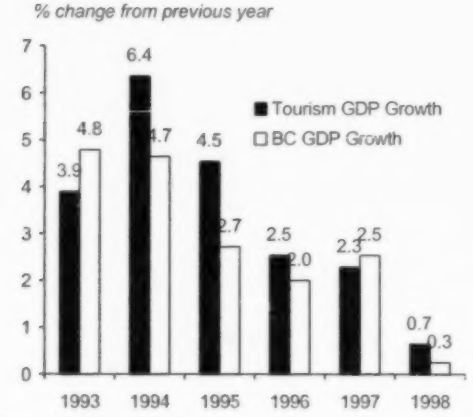
In constant 1992 dollars (i.e., with the effects of inflation removed, which gives an indication of real growth), the 1998 contribution of the tourism sector to British Columbia's economy was 4.3 billion dollars, which translates to an increase of 0.7 percent over 1997. This is the lowest growth recorded by the tourism sector since an 8.8 percent decline in 1991, which was likely the result of the recession that hit North America at that time.

Growth in tourism GDP has been declining over the last five years, but for the most part, British Columbia's tourism sector has continued to grow faster than the economy as a whole. The 0.7 percent real growth in the tourist sector GDP compares with only 0.3 percent for the entire provincial GDP.

[1] Note that the availability of GDP data lags that of employment. As a result, tourism GDP is calculated to 1998 and tourism employment to 1999.

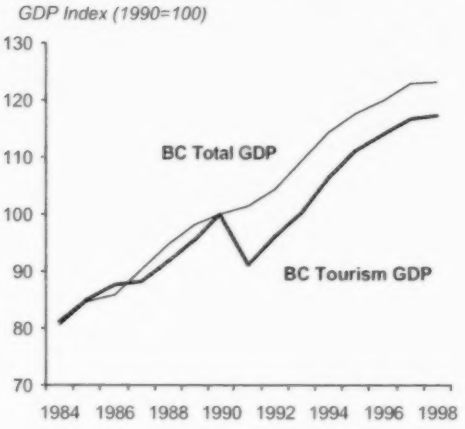
[2] The exception is migratory workers living away from home on a temporary basis in order to be at their place of work; they are not considered to be tourists.

Tourism GDP has outpaced the BC economy for 4 of the last 5 years*



* constant 1992 dollars

Tourism GDP has never regained its share of Total GDP since the large decline in 1991*



The slowdown in tourism growth may be related to the effects of the "Asian flu" and the decline in tourists arriving from Asian origins. However, the low Canadian dollar has resulted in a larger influx of Americans, which has tempered the reduction in Asian tourists. As a result, the tourism sector continues to grow, but at a reduced rate compared to earlier in the decade.

The tourism sector in British Columbia accounted for approximately 4.8 percent of the total provincial economy in 1998. This share has been increasing over the last several years as growth in the tourism sector has outpaced the economy as a whole, but it is still less than the 5.2 percent peak reached in the mid-eighties. Tourism has never regained its share of total GDP since the sharp decline in 1991.

The industry breakdown of tourism GDP has changed little since 1984 with a couple of exceptions. The transportation, storage and communication industries were ranked first in terms of share of tourism GDP in 1984, but they have experienced a reduction in their share and have slipped to second, while accommodation services have simultaneously increased their share, vaulting into the top position. Currently, accommodation services and transportation, storage and communication together represent more than half the total tourism GDP.

Tourism GDP by industrial group, 1998

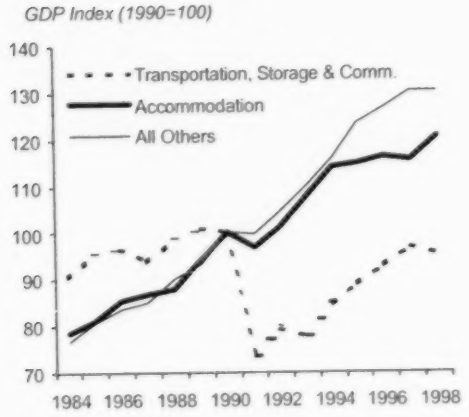
Industry	Tourism GDP*
Accommodation Services	1,406.0
Transportation, Storage & Communication	1,204.7
Food & Beverage Services	686.0
Other Services	570.0
Retail Trade	517.0
Wholesale Trade	251.4
Finance, Insurance & Real Estate	223.7
All Others	76.3
Total Tourism GDP	**4935.0**

* *Current dollars, millions*

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, BC V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca

As can be seen in the chart below, the transportation, storage and communication industries were hit particularly hard by the recession of 1990 and 1991.

Transportation sector trails in tourism sector GDP growth



*constant 1992 dollars

These industries were the weakest in terms of tourism GDP growth (in constant 1992 dollars) in 1998 as well, falling 1.8 percent from the 1997 level. Accommodation services led all industry groups with a 4.3 percent increase over the previous year. Finance, insurance and real estate industries were next with 2.4 percent real growth.

Tourism GDP growth by industrial group, 1998

Industry	percent growth 1997-98*
Accommodation Services	4.3
Transportation, Storage & Communication	-1.8
Food & Beverage Services	0.2
Other Services	-1.7
Retail Trade	-0.7
Wholesale Trade	1.4
Finance, Insurance & Real Estate	2.4
All Others	2.0
Total Tourism GDP	**0.7**

** Constant 1992 dollars*

Compared to the resource sector, tourism outranked all resource industries with the exception of the forest sector (with related manufacturing activities included) in terms of its direct contribution to GDP in 1998.[3]

GDP by major activity, 1998

Activity	GDP**
Finance, insurance and real estate*	18,586.6
Retail trade and wholesale trade*	10,516.4
Other community, business and personal services*	9,588.1
Transportation, storage and communication*	7,783.4
Health and social services*	7,334.6
Forestry and related manufacturing	6,790.2
Construction	5,862.6
Public administration*	5,425.0
Education*	5,204.3
Tourism	**4,935.0**
Mining, petroleum and related manufacturing	4,423.9
Other manufacturing	3,873.9
Utilities	2,430.3
Agriculture and related manufacturing	2,070.7
Accommodation and Food*	2,001.0
Fishing, trapping and related mfg.	476.0
Total	**97,301.8**

** Tourism component has been removed*
*** Current dollars, millions*

Direct Tourism Employment

In 1999, there were 106,830 people working in British Columbia's tourism sector, a 2.4 percent decline from 109,490 people in 1998.[4] This de-

[3] This calculation does not take into consideration the indirect and induced impact of these activities.

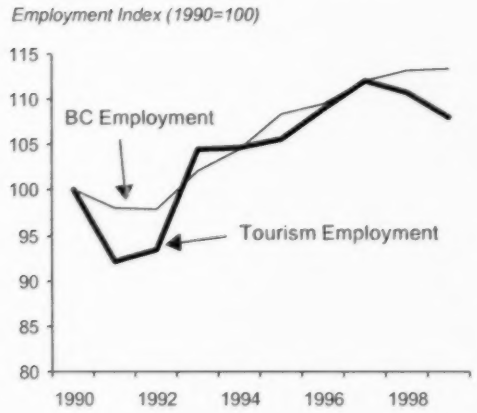
[4] Direct tourism employment estimates are based on information from Statistics Canada's Survey of Employment, Payrolls and Hours (SEPH), an employer survey. This means that the SEPH data does not include self-employed workers, workers in agriculture or workers in the commercial fishing industry and therefore the direct tourism employment figures derived from this data underestimate the true number of people employed in the tourism sector.

A comparison of total employment figures from SEPH and

cline came despite a slight increase (0.1%) in total employment in British Columbia. This is the second straight year that tourism employment has gone down, after previously recording six consecutive years of increases.

The number of jobs generated by tourism has a history of volatility. When the economy is performing well, both inside and outside British Columbia, the tourism sector usually booms; however, when the economy slows, employment in tourism declines. The chart below shows that the troubled economy in Asia, combined with a slow growing economy in BC, has resulted in employment declines in the tourism sector over the last few years.

Tourism employment tends to be more volatile than employment as a whole



Employment by sector, 1999 **

Industry	Employment (thousands)
Retail and Wholesale Trade*	256.9
Other Community, Business and Personal Services*	183.7
Health and Social Services*	162.0
Education and Related Services*	130.2
Tourism	**106.8**
Other Manufacturing	89.3
Finance, Insurance and Real Estate*	87.6
Forestry and Related Manufacturing	85.7
Transportation, Storage and Communication*	84.4
Accommodation, Food and Beverage*	84.1
Public Administration*	70.4
Construction	68.1
Mining, Petroleum & Related Manufacturing***	34.3
Other Goods Producing	12.6
All Industries	**1,456.2**

** Excludes tourism workers*
*** Does not include agriculture, fishing and self-employment*
**** Does not include refined petroleum and coal (this is included in other goods producing industries)*

Approximately one in every 14 jobs in British Columbia is a result of tourist activity, making the tourism industry one of the largest employers in the province.

Within the tourism sector, the food and beverage service and accommodation industries account for just over half of all jobs. The trade sector is the third largest employer within tourism followed by the transportation and communication industries.

the Labour Force Survey (LFS, a household survey that covers workers in all industries as well as the self-employed, but provides less industry detail) suggests that the SEPH data may be underestimating total employment in all industries by about 450,000. This is in excess of 20 percent of total employment in all industries. It is difficult to say what percentage of direct tourism employment is excluded by using the SEPH data, but a rough estimate calculated previously by BC Stats indicates that perhaps as little as 10 percent of the total employment is being missed.

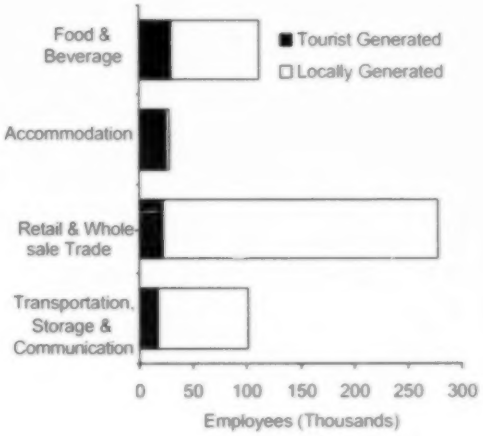
Tourism Employment, 1999 *

Industry	Employment	Percent Change
Food & beverage services	29,850	1.6
Accommodation	24,910	-10.4
Retail & wholesale trade	21,180	3.0
Transportation & communication	16,920	2.3
Travel services	4,800	-3.0
Amusement & recreation	4,700	-18.0
Other services	1,800	-2.2
Health services	1,170	1.5
Education	990	-3.6
Finance, insurance & real estate	530	0.3
Total Tourism	**106,830**	-2.4

** Does not include self-employment*

The accommodation sector and amusement and recreation industries experienced the largest declines in employment between 1998 and 1999 and were mostly responsible for the decline in the tourism sector overall. For accommodation, some of the drop in employment was due to a shift from part-time to full-time workers (the SEPH data counts both full-time and part-time employees). In the amusement and recreation sector, this does not appear to be the case as the average weekly hours worked actually declined in these industries between 1998 and 1999.

The accommodation sector is almost exclusively tourism-related



Some industries are more dependent on tourism than others. Employment in the accommodation sector is almost completely driven by tourism activity and over a quarter of the jobs in the food and beverage services industries are due to tourism. The transportation, storage and communication sector has a significant tourism component as well (17 percent), while jobs in retail and wholesale trade due to tourism account for less than 8 percent of the total. This is despite the fact that retail and wholesale trade industries make up almost 20 percent of all direct tourism jobs.

Tourism will continue to grow

Tourism is a crucial part of British Columbia's economy and this will likely continue to be the case in the future. The industry continues to grow, albeit at a reduced pace over the last few years. Like all industries, tourism is susceptible to changes in the economic climate both within and outside British Columbia. There is no doubt that the so-called "Asian flu" had a negative effect on the province's tourism industry, as fewer travellers from Asian origins visited British Columbia. The slowdown in the provincial economy also has likely had a large detrimental impact on tourism as resident travel makes up a significant portion of tourist activity. As the economy here and abroad improves, as is already happening, tourism will likely experience stronger growth.

Seasons Greetings

From all the staff at BC STATS a Merry Christmas and best wishes for the New Year to you and your family.

Infoline

December 21, 2000

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Oct 1/00	% change on one year ago
BC	4,072.5	0.8
Canada	30,714.7	0.8
GDP and INCOME		% change on
(BC - at market prices)	1999	one year ago
Gross Domestic Product (GDP) *($ millions)*	118,783	4.2
GDP *($ 1992 millions)*	104,323	2.1
GDP *($ 1992 per Capita)*	25,899	1.3
Personal Disposable Income *($ 1992 per Capita)*	16,700	0.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Oct	3,108	-2.5
Merchandise Exports (raw) Sep	2,783	9.7
Retail Sales (seasonally adjusted) Oct	2,977	5.4
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Nov '00	one year ago
BC	114.5	2.7
Canada	115.0	3.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Nov '00	one year ago
Labour Force - BC	2,111	1.4
Employed - BC	1,964	2.5
Unemployed - BC	147	-11.2
		Nov '99
Unemployment Rate - BC *(percent)*	7.0	8.0
Unemployment Rate - Canada *(percent)*	6.9	6.9
INTEREST RATES (percent)	Dec 20/00	Dec 22/99
Prime Business Rate	7.50	6.50
Conventional Mortgages - 1 year	7.70	7.35
- 5 year	7.95	8.25
US/CANADA EXCHANGE RATE	Dec 20/00	Dec 22/99
(avg. noon spot rate) Cdn $	1.5219	1.4765
US $ *(reciprocal of the closing rate)*	0.6564	0.6774
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Nov '00	one year ago
BC	643.16	2.2
Canada	622.49	3.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bank-banque-canada.ca/english/wfsgen.htm

2000 Index

Next week's transmission, on or before December 29, will be a single page **Index of 2000 Infoline Reports**. Highlights will resume on January 5, 2001.

Released this week by BC STATS

- Migration Highlights, Third Quarter, 2000
- Immigration Highlights, Third Quarter, 2000
- Earnings and Employment Trends, Nov. 2000

Next week

- Business Indicators, December 2000
- Current Statistics, December 2000

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BC.Stats@gems8.gov.bc.ca